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Connect With Your Customers:□ Tell Them Who You Are

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Studies have shown that customers want connection and are willing to pay a premium, not only for the organic label, but also for products that are “local.” How to effectively act on this information depends to a large extent on who your customers are and whether or not you have face-to-face contact with them.

Connecting to your customers can begin with a simple **flyer** that tells them about your farm. Customers **want** to know **where** you farm, **what** you grow, what your growing practices are, and **why** you grow the way you do.

Do you have a **long family history** in the area? Perhaps your passion is getting the most nutritious food to market while it is at the peak of freshness, or growing delicious heirlooms that are no longer found in the markets, or restoring worn out land to health and diversity. Give people **reasons to support your farm**. If you are selling through a [farmers ’ market](#) or CSA, this farm story combined with lively conversation with your customers is often enough to forge a strong link.

Selling Retail

This picture changes when you are not selling to the end consumer, in which case that personal link is lost. Consumers in a retail setting will be looking for some kind of assurance that they are supporting their values with their food dollars.

Many times retailers are also looking for a shortcut to explain the value of the products they sell. This is when **organic certification**, and other types of differentiation become important in gaining both the best price for your product, as well as a loyal following of end-consumers.

Make sure the retail buyer **knows your farm story**, invite him/her out for a **tour** of your farm. This way, the retailer can become your advocate. Even in a retail situation, you can increase your sales through indirect communication with your end-consumers.

Look for retailers who are willing to **post information** about your farm and label your products with your farm name. Help make this easy for retailers by providing

signage

, copies of your farm story and offering to

demo your products

in the store. And, if you are selling to a retailer or wholesaler, follow up to make sure your products are getting out to the consumers promptly and are being handled and merchandised well.

A retailer who puts up signage about your farm, but is not getting your products out at their peak is not helping you. Find someone else. No matter what your market, a retailer, wholesaler or the end-consumer, developing a good relationship— a reputation for reliability, fresh and delicious products, and clear communication—with your customer is critical.

Know your markets and invite the feedback that will help you tailor your marketing to your customer.

Capitalize on Trends and Innovations

Capitalizing on a consumer-driven trend in agriculture enables a farmer or rancher to produce a product with a guaranteed market; however, it is important to assess the local supply of the product to avoid market saturation. Also, trends can be short-lived, so planting a diverse set of crops assumes a diverse market portfolio.

Two recent trends relevant for agricultural producers in the Middle Rio Grande Valley include the market increase in organically produced food, and increased interest in wine.

Recent research has shown that in addition to organic foods, consumers are also becoming more interested in food that is local, fresh and is produced on family-scale farms; shoppers look for it and are willing to pay more for it.

In the local wine industry, there has been a 35 percent increase in membership in the [New Mexico Wine Growers Association](#), helping to improve the industry and the quality of New Mexico wines.

Working independently, farmers don't always benefit from innovative farming practices that can create economies of scale in production. For example, in mushroom farming, a few companies pioneered sophisticated processes for controlled mushroom growth by using conveyors, climate controls, and other devices that reduce labor costs and boost yields. The US Department of Agriculture provides [rural cooperative development grants](#) to encourage farmers to take advantage of economies of scale.

Specialty Crops

Specialty crops are higher value, often locally-specific crops that include most vegetables, fruits, nuts, herbs and spices, as well as nursery plants, and flowers.

The Food Quality Protection Act defined minor crops, another term for specialty crops, as a crop grown on 300,000 acres or less. Gross returns per acre for specialty crops may run into the **thousands of dollars** compared with hundreds of dollars for the large acre crops, such as

corn, soybeans, wheat and rice. Specialty crops generate about 40 percent of all annual agricultural sales in New Mexico, and account for over fifty percent of all agricultural sales in twenty-three states.

In New Mexico, specialty crops include chile, onions, pecans, tayberries, currants, gooseberries, elderberries, and bush cherries

Value-Added Products



Local and Honey Other Products in Ready-to-Ship Boxes Value is added to crops or livestock when raw agricultural commodities are transformed to consumer-ready goods. Value-added products provide good economic growth potential and help diversify the economic base of rural communities. For value-added products to be successful, agricultural producers should carefully identify goods that utilize local resources, and that fulfill gap in the market. Adding value also adds cost to production, but careful planning and test marketing can significantly increase the net cash return of a small-scale agricultural enterprise.

For example, one local herbal supplement manufacturer produces more than 300 items from raw products that it purchases from local, national and international suppliers. Using lavender from its field, another local farm has created a variety of products, including lavender wands, sachets, soap, butter, and oils. Another familiar New Mexico product is the ristra, which uses dried chiles.

Cooperative Farming and Ranching

Cooperative farming can create economies of scale that help small farmers overcome their size disadvantage when dealing with buyers or suppliers.

Because of the independent nature of small-scale farming, the agricultural industry often suffers from a lack of group strength. This is felt in the lack of a large-scale supply of produce from local sources on grocery store shelves.

For example, the consumer demand for organic and grass-fed beef led to a livestock cooperative in Roy, NM. Independently, those farmers and ranchers had difficulty breaking into the lucrative organic beef marketplace (organic beef retails for between \$4 and \$6 a pound versus \$3 a pound for non-organic). Individually, they were too small to market to chains and big grocery stores, but were too large to market directly to individual consumers (few are willing to buy a whole steer). As a result, the producers created the New Mexico Organic Livestock Cooperative. Other coops have successfully filled

Infrastructure

Agriculture infrastructure includes getting farm products to market and other distribution challenges, making connections with appropriate suppliers, securing financing, etc. This is particularly difficult in New Mexico as a result of the fragmentation of the agriculture industry, as well as the physical distance of farm lands to markets.

Every farm conducts primary and secondary activities to sustain itself. Primary activities are the physical creation of the product and its delivery and marketing to the buyer. Support activities are the infrastructure that allows the primary activities to take place.

Support activities take a variety of shapes. Procurement is obtaining purchased inputs, such as raw materials or machinery. Human resource management is the recruitment, training, and development of personnel. Infrastructure also includes activities such as general management, accounting, legal, finance, strategic planning, and all the other activities essential to the success of the farm enterprise.

Infrastructure issues associated with value-added products include finding appropriate managerial expertise, finding and hiring general and specialty labor, packaging end products, transportation, rent, business taxes, etc.

Agritourism

[Read more about agritourism here.](#)

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